

HOUSING AUTHORITY OF OAKDALE

REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

TWELVE MONTHS ENDED SEPTEMBER 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

4/16/08

Mike Estes, P.C.
A Professional Accounting Corporation

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MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4200 AIRPORT FREEWAY - SUITE 100
FORT WORTH, TEXAS 76117

MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

MIKE ESTES, CPA

(817) 831-3553
METRO (817) 654-4063
(817) 831-3560
e-mail: mestespc@swbell.net

Independent Auditor's Report

Board of Commissioners
Housing Authority of Oakdale
Oakdale, Louisiana

We have audited the accompanying basic financial statements of each major fund of the Housing Authority of Oakdale, Louisiana as of and for the year ended September 30, 2007, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of Oakdale, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority of Oakdale, Louisiana, as of September 30, 2007, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2008, on our consideration of the Housing Authority of Oakdale, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of Oakdale, Louisiana's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Housing Authority of Oakdale, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying Financial Data Schedules required by HUD and other accompanying information identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mike Estes, P.C.
Fort Worth, Texas
March 6, 2008

HOUSING AUTHORITY OF THE CITY OF OAKDALE

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

SEPTEMBER 30, 2007

Housing Authority of The City of Oakdale, Louisiana
Management's Discussion and Analysis (MD&A)
SEPTEMBER 30, 2007

The management of Public Housing Authority of Oakdale, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2007. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$2,546,098 at the close of the fiscal year ended 2007.
 - ✓ Of this amount \$2,256,592 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
 - ✓ The remainder of \$289,506 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 27% of the total operating expenses of \$1,075,269 for the fiscal year 2007, which means the Authority might be able to operate about 3 months using the unrestricted assets alone, which compares with 4 months in the prior fiscal year.
- The Housing Authority's total net assets increased by \$99,580, a 4% change from the prior fiscal year 2006. This increase is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- The increase in net assets of these funds was accompanied by a decrease in cash and cash equivalents by \$73,118 from fiscal year 2006, primarily due to spending \$60,029 more for capital assets than Federal capital grants received; and transferring \$16,741 of excess cash into investments.
- These changes led to an increase in total assets by \$66,632 and a decrease in total liabilities by \$32,946. As related measure of financial health, there are still over \$6 of current assets covering each dollar of total current and long-term liabilities, which compares favorably with \$5 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2007?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

- Low Rent Public Housing
- Housing Choice Vouchers
- Public Housing Capital Fund Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

Housing Authority of The City of Oakdale, Louisiana
 Management's Discussion and Analysis (MD&A)
 SEPTEMBER 30, 2007

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$2,546,098 as of September 30, 2007. Of this amount, \$2,256,592 was invested in capital assets, and the remaining \$289,506 was unrestricted. No other specific assets are restricted. Also, there are no other restrictions on general net assets.

CONDENSED FINANCIAL STATEMENTS

Condensed Balance Sheet			
As of September 30,			
		<u>2007</u>	<u>2006</u>
ASSETS			
Current assets		\$ 347,717	\$ 422,709
Capital assets, net of depreciation		<u>2,256,592</u>	<u>2,114,968</u>
Total assets		<u><u>2,604,309</u></u>	<u><u>2,537,677</u></u>
LIABILITIES			
Current liabilities		46,287	48,126
Non-current liabilities		<u>11,924</u>	<u>43,033</u>
Total liabilities		<u><u>58,211</u></u>	<u><u>91,159</u></u>
NET ASSETS			
Invested in capital assets, net of depreciation		2,256,592	2,114,968
Unrestricted net assets		<u>289,506</u>	<u>331,550</u>
Total net assets		<u><u>2,546,098</u></u>	<u><u>2,446,518</u></u>
Total liabilities and net assets		<u><u>2,604,309</u></u>	<u><u>2,537,677</u></u>

Housing Authority of The City of Oakdale, Louisiana
Management's Discussion and Analysis (MD&A)
SEPTEMBER 30, 2007

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds increased by \$99,580, or by 4%, from those of fiscal year 2006, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets		
Fiscal Year Ended September 30,		
	2007	2006
OPERATING REVENUES		
Dwelling rental	\$ 238,488	\$ 214,280
Other	57,771	62,923
Total Operating Revenues	296,259	277,203
OPERATING EXPENSES		
Administration	242,848	207,849
Tenant services	45	400
Utilities	40,704	42,376
Ordinary maintenance & operations	224,434	208,874
General expenses	82,554	90,997
Depreciation	167,586	136,722
Extraordinary maintenance	0	35,715
Housing assistance payments	317,098	303,075
Total Operating Expenses	1,075,269	1,026,008
Income (loss) from Operations	(779,010)	(748,805)
Non Operating Revenues (Expenses)		
Interest earnings	14,590	12,012
Federal grants	637,035	626,549
Gain (Loss) on disposal of assets	2,433	(92)
Total Non-Operating Revenues (Expenses)	654,058	638,469
Income (loss) before contribution	(124,952)	(110,336)
Capital Contribution	224,532	325,003
Change in net assets	99,580	214,667
Total net assets - beginning	2,446,518	2,231,851
Total net assets - ending	\$ 2,546,098	\$ 2,446,518

EXPLANATIONS OF FINANCIAL ANALYSIS

ASSETS

- Current assets decreased \$74,992, from \$422,709 to \$347,717. This included a decrease in cash and cash equivalents of \$58,474. The changes in these current assets were primarily from a decrease in capital grants received during the fiscal year.

LIABILITIES

- Current liabilities decreased only \$1,839, from \$48,126 to \$46,287. Most of this change was from decreases in trade accounts payable.

The above decrease in current assets of \$74,992, minus the decrease of \$1,837 in current liabilities comprises \$73,155 of the \$42,044 decrease in unrestricted net assets. The remainder of the decrease in current assets was applied to construction costs over and above proceeds from Federal capital grants.

Compared with the prior fiscal year, total operating, non-operating revenues, and capital grants decreased \$65,826, or by 5%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Federal Capital Funds from HUD decreased by \$100,471, or by 31% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal year 2007, and submitted a new grant during fiscal year 2008.
- Federal revenues from HUD for operations decreased by \$10,486, or by 2% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was a decrease in the number of eligible tenants receiving subsidies, so Housing Assistance Grants decreased accordingly, lowering the overall total.
- Total tenant revenue increased by \$24,208, or by 11% from that of the prior fiscal year, despite the fact that occupancy rates decreased by 2%, because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total.
- Interest income increased \$2,578. The gain on disposal of assets increased \$2,525.

Compared with the prior fiscal year, total operating expenses increased \$49,261, or by 5%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Administrative Expenses increased by \$34,998, or by 17% from that of the prior fiscal year, primarily due to increases in staff salaries (\$6,471), accounting fees (\$2,902), and sundry (\$22,116).

Housing Authority of The City of Oakdale, Louisiana
 Management's Discussion and Analysis (MD&A)
 SEPTEMBER 30, 2007

- Depreciation expense increased by \$30,864, or by 24% from that of the prior fiscal year, because there was a significant increase in capital assets.
- Maintenance and repairs increased by \$15,499, or by 93% from that of the prior fiscal year, primarily due to increases in staff wages (\$4,422), benefit contributions (\$6,794), materials (\$2,426), and contract labor (\$1,857).
- Housing Assistance Payments to landlords increased by \$14,022, or by 5% from that of the prior fiscal year, because there was an increase in the number of tenants qualifying for subsidy during the year.
- General Expenses decreased by \$8,443, or by 9% from that of the prior fiscal year, primarily because insurance premiums decreased by \$7,769, or by 12%, since property and casualty insurance premiums decreased.
- Utilities and Tenant services, totaling \$40,750, making up the small remainder of the increase in expenditures, did not change significantly from the prior to the current year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2007, the Housing Authority had a total cost of \$7,457,541 invested in a broad range of assets and construction in progress from projects funded in 2005 through 2007, listed below. This amount, not including depreciation, represents increases of \$307,096 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation
 As of September 30,**

	<u>2007</u>	<u>2006</u>
Land	\$ 181,400	\$ 181,400
Construction in progress	3,899	207,019
Buildings	1,813,014	1,487,521
Leasehold improvements	188,599	185,633
Furniture and equipment	69,680	53,395
	<u>2,256,592</u>	<u>2,114,968</u>
Total	<u>2,256,592</u>	<u>2,114,968</u>

As of the end of the 2007 fiscal year, the Authority is still in the process of completing HUD grants of \$221,579 obtained during the 2007 fiscal year. A total remainder of \$221,579 will be received and \$202,484 will be spent for completing these projects during fiscal year 2008.

Debt

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2008 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Tina Johnson, at Public Housing Authority of Oakdale, Louisiana; P.O. Box B.Q.; Oakdale, LA 71463.

HOUSING AUTHORITY OF OAKDALE
BALANCE SHEET
SEPTEMBER 30, 2007

	General	Housing Choice Vouchers	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 34,350	\$ 150,276	\$ 184,626
Investments	24,911	49,936	74,847
Accounts receivable net	45,926	0	45,926
Interest receivable	135	1,376	1,511
Internal balances	83,586	(83,586)	0
Prepaid items and other assets	27,697	688	28,385
Restricted assets – cash and cash equivalents	12,422	0	12,422
Total Current Assets	229,027	118,690	347,717
Capital Assets, net			
Land and other non-depreciated assets	185,300	0	185,300
Other capital assets – net of depreciation	2,070,332	960	2,071,292
Total Capital Assets, net	2,255,632	960	2,256,592
Total Assets	\$ 2,484,659	\$ 119,650	\$ 2,604,309
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 3,914	\$ 0	\$ 3,914
Compensated absences payable	5,061	5,112	10,173
Accrued PILOT	19,778	0	19,778
Deposits due others	12,422	0	12,422
Total Current Liabilities	41,175	5,112	46,287
Noncurrent Liabilities			
Compensated absences payable	11,924	0	11,924
Total Liabilities	53,099	5,112	58,211
NET ASSETS			
Invested in capital assets, net of related debt	2,255,632	960	2,256,592
Unrestricted	175,928	113,578	289,506
Net Assets	2,431,560	114,538	2,546,098
Total Liabilities and Net Assets	\$ 2,484,659	\$ 119,650	\$ 2,604,309

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF OAKDALE
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED SEPTEMBER 30, 2007

	General	Housing Choice Voucher	Total
OPERATING REVENUES			
Dwelling rental	\$ 238,488	\$ 0	\$ 238,488
Other	53,306	4,465	57,771
Total Operating Revenues	291,794	4,465	296,259
OPERATING EXPENSES			
Administration	192,654	50,194	242,848
Tenant services	45	0	45
Utilities	40,704	0	40,704
Ordinary maintenance & operations	224,434	0	224,434
General expenses	78,649	3,905	82,554
Depreciation	167,266	320	167,586
Housing assistance payments	0	317,098	317,098
Total Operating Expenses	703,752	371,517	1,075,269
Income (loss) from Operations	(411,958)	(367,052)	(779,010)
Non Operating Revenues (Expenses)			
Interest earnings	9,863	4,727	14,590
Federal grants	272,444	364,591	637,035
Gain on disposal of assets	2,433	0	2,433
Total Non-Operating Revenues (Expenses)	284,740	369,318	654,058
Income (loss) before contribution	(127,218)	2,266	(124,952)
Capital Contribution	224,532	0	224,532
Change in net assets	97,314	2,266	99,580
Total net assets - beginning	2,400,489	112,272	2,512,761
Prior period adjustment - Note 13	(66,243)	0	(66,243)
Total Net assets - beginning adjusted	2,334,246	112,272	2,446,518
Total net assets - ending	\$ 2,431,560	\$ 114,538	\$ 2,546,098

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF OAKDALE
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2007

	General	Housing Choice Voucher	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 237,750	\$ 0	\$ 237,750
Other receipts	(73,943)	132,144	58,201
Payments to vendors	(369,103)	(16,683)	(385,786)
Payments to employees – net	(262,301)	(40,193)	(302,494)
Payments to private landlords	0	(317,098)	(317,098)
Net cash provided (used) by operating activities	(467,597)	(241,830)	(709,427)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Federal grants	357,335	364,591	721,926
Net cash provided (used) by non- capital financing activities	357,355	364,591	721,926
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	2,433	0	2,433
Purchase of capital assets	(309,210)	0	(309,210)
Federal Capital Grants	224,533	0	224,533
Net cash provided (used) by capital and related financing activities	(82,244)	0	(82,244)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	9,941	3,427	13,368
Purchase of investments	(1,137)	(960)	(2,097)
Net cash provided (used) by investing activities	8,804	2,467	11,271
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(183,702)	125,228	(58,474)
CASH AND CASH EQUIVALENTS			
Beginning of Fiscal Year	230,474	25,048	255,522
CASH AND CASH EQUIVALENTS			
End of Fiscal Year	\$ 46,772	\$ 150,276	\$ 197,048

Continued

HOUSING AUTHORITY OF OAKDALE
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2007

	<u>General</u>	<u>Housing Choice Voucher</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (411,958)	\$ (367,052)	\$ (779,010)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation Expense	167,266	320	167,586
Prior period adjustment	(66,244)		(66,244)
Provision of uncollectible accounts	(2,865)	0	(2,865)
Change in assets and liabilities:			
Receivables	2,312	0	2,312
Due from other funds	(95,741)	44,093	(51,648)
Prepaid items	2,430	(688)	1,742
Account payables	(564)	0	(564)
Accrued expenses	(30,295)	(2,089)	(32,384)
Due to other funds	(31,938)	83,586	51,648
Net cash provided (used) by operations	<u>\$ (467,597)</u>	<u>\$ (241,830)</u>	<u>\$ (709,427)</u>

Concluded

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF OAKDALE
NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2007

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HOUSING AUTHORITY OF OAKDALE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of Oakdale have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the state of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of Oakdale, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW	719	156
Section 8			
Housing Choice Vouchers	LA-	033 VO	120

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the City of Oakdale since the City of Oakdale appoints a voting majority of the Housing Authority's governing board. The City of Oakdale is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Oakdale. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Oakdale.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF OAKDALE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the public housing Low Rent program and the Capital Fund program. The housing choice voucher fund accounts for the Section 8 Housing Choice Voucher program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the Housing Authority are rent and maintenance charges to residents and administration fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF OAKDALE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

F. SHORT – TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Acquisitions of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed.

H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

HOUSING AUTHORITY OF OAKDALE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33-40 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

J. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

K. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

L. INTERFUND ACTIVITY Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses.

Reimbursements are when one fund incurs cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

HOUSING AUTHORITY OF OAKDALE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

M. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2007. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: The Housing Authority investments are in Certificates of Deposits, which do not have credit ratings. However, the Housing Authority's policy does not address credit rate risk.

Custodial Credit Risk: At September 30, 2007, the Housing Authority's carrying amount of deposits was \$271,645 and the bank balance was \$321,095, which includes \$89,491 in certificates of deposits classified as investments. Of the bank balance, \$146,249 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at September 30, 2007, are as follows:

<u>Class of Receivables</u>	<u>General</u>
Local sources:	
Tenants	\$ 3,626
Federal sources:	
Grants	42,300
Total	<u>\$ 45,926</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$2,788.

HOUSING AUTHORITY OF OAKDALE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	Balance 10/1/06	Additions	Deletions	Balance 9/30/07
Land	\$ 181,400	\$ 0	\$ 0	\$ 181,400
Buildings	6,520,913	483,157	0	7,004,070
Furniture and equipment	263,649	29,172	24,650	268,171
Construction in progress	207,018	0	203,118	3,900
Total	7,172,980	512,329	227,768	7,457,541
Less: accumulated depreciation				
Buildings	4,917,249	75,515	0	4,992,764
Furniture and equipment	140,763	92,072	24,650	208,185
Total	5,058,012	167,587	24,650	5,200,950
Fixed assets, net	\$ 2,114,968	\$ 344,742	\$ 203,118	\$ 2,256,591

NOTE 5 – INTERFUND RECEIVABLES / PAYABLES Interfund receivables / payables at September 30, 2007 are as follows:

The housing choice voucher owes \$83,586 to the general fund. This is for various expenses paid by the general fund but not reimbursed by year end.

NOTE 6 – ACCOUNTS PAYABLE The payables at September 30, 2007 are as follows:

	General
Vendors	\$ 2,260
Payroll taxes & Retirement withheld	1,052
Other	602
Total	\$ 3,914

NOTE 7 – COMPENSATED ABSENCES At September 30, 2007, employees of the Housing Authority have accumulated and vested \$22,097 of employee leave computed in accordance with GASB, Codification Section C60.

HOUSING AUTHORITY OF OAKDALE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 8 – LONG – TERM OBLIGATIONS The following is a summary of the long – term obligation transactions for the year ended September 30, 2007.

		Compensated Absences
Balance, beginning	\$	55,324
Deductions		33,227
Balance, ending		22,097
Amounts due in one year	\$	10,173

NOTE 9 – RETIREMENT SYSTEM The Housing Authority participates in the Louisiana Housing Council Group Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing one month of continuous and uninterrupted employment. Plan provisions and changes to plan contributions are determined by the Board of the Housing Authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 14% percent of each participant's basic (excludes overtime) compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority. Normal retirement date shall be the first day of the month following the employee's 65th birthday or after 10 years of participation in the plan.

The Housing Authority made the required contributions of \$23,852 for the year ended September 30, 2007, of which \$23,852 was paid by the Housing Authority. No payments were made out of the forfeiture account.

HOUSING AUTHORITY OF OAKDALE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 10 – INTERPROGRAM TRANSFERS Interprogram transfers for the year September 30, 2007 consists of the following:

The Capital Fund transferred \$713,487 of net capital costs on the closed grants to the Low Rent fund.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects There are certain renovation or construction projects in progress at September 30, 2007. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

NOTE 12 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$861,567 to the Housing Authority, which represents approximately 74% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 13 – PRIOR PERIOD ADJUSTMENT The prior year loss before contribution was misstated by \$66,243. The Low Rent operating subsidy was overstated by this amount. The unrestricted net assets balance of \$397,793 restated as of October 1, 2006 is \$331, 550.

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4200 AIRPORT FREEWAY – SUITE 100
FORT WORTH, TEXAS 76117

MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

MIKE ESTES, CPA

(817) 831-3553
METRO (817) 654-4063
(817) 831-3560
e-mail: mestespc@swbell.net

Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Housing Authority of Oakdale
Oakdale, Louisiana

We have audited the basic financial statements of each major fund of the Housing Authority of Oakdale, Louisiana, as of and for the year ended September 30, 2007, which collectively comprise the Housing Authority of Oakdale, Louisiana's basic financial statements and have issued our report thereon dated March 6, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of Oakdale, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of Oakdale, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Oakdale, Louisiana's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority of Oakdale, Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Housing Authority of Oakdale, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the Oakdale, Louisiana's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Housing Authority of Oakdale, Louisiana's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Oakdale, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Commissioners, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.
Fort Worth, Texas
March 6, 2008

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4200 AIRPORT FREEWAY - SUITE 100
FORT WORTH, TEXAS 76117

MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

MIKE ESTES, CPA

(817) 831-3553
METRO (817) 654-4063
(817) 831-3560
e-mail: mestespc@swbell.net

**Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133**

Housing Authority of Oakdale
Oakdale, Louisiana

Compliance

We have audited the compliance of the Housing Authority of Oakdale, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2007. The Housing Authority of Oakdale, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of Oakdale, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of Oakdale, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of Oakdale, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Housing Authority of Oakdale, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of Oakdale, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2007.

Internal Control Over Compliance

The management of the Housing Authority of Oakdale, Louisiana is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of Oakdale, Louisiana's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Oakdale, Louisiana's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federally program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.
Fort Worth, Texas
March 6, 2008

HOUSING AUTHORITY OF OAKDALE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2007

FEDERAL GRANTOR PROGRAM TITLE	<u>CDFA NO.</u>	<u>PROGRAM EXPENDITURES</u>
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	272,444
Housing Choice Voucher	14.871	364,591
Public Housing Capital Fund	14.872	<u>224,532</u>
Total United States Department of Housing and Urban Development	\$	<u>861,567</u>
Total Expenditures of Federal Awards	\$	<u>861,567</u>

HOUSING AUTHORITY OF OAKDALE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2007

NOTE 1 – GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of Oakdale, Louisiana (the "Housing Authority"). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

	Federal Sources
General	\$ 496,976
Section 8 Housing Choice Vouchers	364,591
Total	\$ <u>861,567</u>

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

HOUSING AUTHORITY OF OAKDALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2007

Section I – Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no significant deficiencies required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the *Government Auditing Standards* to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA# 14.871 Section 8 Housing Choice Voucher
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was 300,000.
- ix. The auditee qualifies as a low-risk auditee under OMB Circular No. A-133, Section .530.

HOUSING AUTHORITY OF OAKDALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2007

**Section II – Findings related to the financial statements which are required to be reported
in accordance with Governmental Auditing Standards generally accepted in
the United States of America:**

None

HOUSING AUTHORITY OF OAKDALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2007

Section III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510 (a):

None

HOUSING AUTHORITY OF OAKDALE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2007

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

None

HOUSING AUTHORITY OF OAKDALE
SUMMARY SCHEDULE OF PRIOR MANAGEMENT LETTER ITEMS

YEAR ENDED SEPTEMBER 30, 2007

None

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF OAKDALE
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED SEPTEMBER 30, 2007

		2005 Capital Fund		2006 Capital Fund
Funds approved	\$	224,239	\$	210,257
Funds expended		<u>224,239</u>		<u>210,257</u>
Excess of funds approved	\$	<u>0</u>	\$	<u>0</u>
Funds advanced	\$	224,239	\$	210,257
Funds expended		<u>224,239</u>		<u>210,257</u>
Excess of funds advanced	\$	<u>0</u>	\$	<u>0</u>

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statements of Modernization Costs dated June 23, 2007 and October 15, 2007 accompanying the Actual Modernization Costs Certificates submitted to HUD for approval are in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

See accountants' report

HOUSING AUTHORITY OF OAKDALE
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED SEPTEMBER 30, 2007

CASH BASIS

		2007 Capital Fund
Funds approved	\$	221,579
Funds expended		<u>19,095</u>
Excess of funds approved	\$	<u>202,484</u>
Funds advanced	\$	0
Funds expended		<u>19,095</u>
Excess (deficiency) of funds advanced	\$	<u>(19,095)</u>

See accountants' report

**HOUSING AUTHORITY OF OAKDALE
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2007

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$34,350	\$150,276	\$0	\$184,626
114	Cash - Tenant Security Deposits	\$12,422	\$0	\$0	\$12,422
100	Total Cash	\$46,772	\$150,276	\$0	\$197,048
122	Accounts Receivable - HUD Other Projects	\$23,205	\$0	\$19,095	\$42,300
126	Accounts Receivable - Tenants - Dwelling Rents	\$6,414	\$0	\$0	\$6,414
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$-2,788	\$0	\$0	\$-2,788
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$135	\$1,376	\$0	\$1,511
120	Total Receivables, net of allowances for doubtful accounts	\$26,966	\$1,376	\$19,095	\$47,437
131	Investments - Unrestricted	\$24,911	\$49,936	\$0	\$74,847
142	Prepaid Expenses and Other Assets	\$27,697	\$688	\$0	\$28,385
144	Interprogram Due From	\$102,681	\$0	\$0	\$102,681
150	Total Current Assets	\$229,027	\$202,276	\$19,095	\$450,398
161	Land	\$181,400	\$0	\$0	\$181,400
162	Buildings	\$5,853,749	\$0	\$395,814	\$6,249,563
163	Furniture, Equipment & Machinery - Dwellings	\$113,346	\$0	\$4,575	\$117,921
164	Furniture, Equipment & Machinery - Administration	\$117,735	\$10,185	\$22,330	\$150,250
165	Leasehold Improvements	\$730,211	\$0	\$24,295	\$754,507
166	Accumulated Depreciation	\$-5,157,054	\$-9,225	\$-34,670	\$-5,200,949
167	Construction In Progress	\$0	\$0	\$3,900	\$3,900
180	Total Fixed Assets, Net of Accumulated Depreciation	\$1,839,387	\$960	\$416,245	\$2,256,592
180	Total Non-Current Assets	\$1,839,387	\$960	\$416,245	\$2,256,592
190	Total Assets	\$2,068,414	\$203,236	\$435,340	\$2,706,990
312	Accounts Payable <= 90 Days	\$2,260	\$0	\$0	\$2,260
321	Accrued Wage/Payroll Taxes Payable	\$1,052	\$0	\$0	\$1,052
322	Accrued Compensated Absences - Current Portion	\$5,061	\$5,112	\$0	\$10,173
333	Accounts Payable - Other Government	\$19,778	\$0	\$0	\$19,778
341	Tenant Security Deposits	\$12,422	\$0	\$0	\$12,422
345	Other Current Liabilities	\$602	\$0	\$0	\$602
347	Interprogram Due To	\$0	\$83,586	\$19,095	\$102,681
310	Total Current Liabilities	\$41,175	\$88,698	\$19,095	\$148,968
354	Accrued Compensated Absences - Non Current	\$11,924	\$0	\$0	\$11,924
350	Total Noncurrent Liabilities	\$11,924	\$0	\$0	\$11,924
300	Total Liabilities	\$53,099	\$88,698	\$19,095	\$160,892
508	Total Contributed Capital	\$0	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$1,839,387	\$960	\$416,245	\$2,256,592
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$175,928	\$113,578	\$0	\$289,506
513	Total Equity/Net Assets	\$2,015,315	\$114,538	\$416,245	\$2,546,098
600	Total Liabilities and Equity/Net Assets	\$2,068,414	\$203,236	\$435,340	\$2,706,990

HOUSING AUTHORITY OF OAKDALE
FINANCIAL DATA SCHEDULE

YEAR ENDED SEPTEMBER 30, 2007

703	Net Tenant Rental Revenue	\$238,488	\$0	\$0	\$238,488
705	Total Tenant Revenue	\$238,488	\$0	\$0	\$238,488
706	HUD PHA Operating Grants	\$265,475	\$364,591	\$6,969	\$637,035
706.1	Capital Grants	\$0	\$0	\$224,532	\$224,532
711	Investment Income - Unrestricted	\$9,863	\$4,727	\$0	\$14,590
714	Fraud Recovery	\$0	\$1,383	\$0	\$1,383
715	Other Revenue	\$53,306	\$3,082	\$0	\$56,388
716	Gain/Loss on Sale of Fixed Assets	\$2,433	\$0	\$0	\$2,433
720	Investment Income - Restricted	\$0	\$0	\$0	\$0
700	Total Revenue	\$560,585	\$373,783	\$231,501	\$1,174,849
911	Administrative Salaries	\$89,856	\$29,677	\$0	\$119,533
912	Auditing Fees	\$6,181	\$2,649	\$0	\$8,830
915	Employee Benefit Contributions - Administrative	\$42,225	\$8,427	\$0	\$50,652
916	Other Operating - Administrative	\$54,267	\$9,441	\$125	\$63,833
922	Relocation Costs	\$45	\$0	\$0	\$45
931	Water	\$32,230	\$0	\$0	\$32,230
932	Electricity	\$6,634	\$0	\$0	\$6,634
933	Gas	\$1,407	\$0	\$0	\$1,407
938	Other Utilities Expense	\$433	\$0	\$0	\$433
941	Ordinary Maintenance and Operations - Labor	\$67,404	\$0	\$0	\$67,404
942	Ordinary Maintenance and Operations - Materials and Other	\$46,636	\$0	\$375	\$47,011
943	Ordinary Maintenance and Operations - Contract Costs	\$78,345	\$0	\$0	\$78,345
945	Employee Benefit Contributions - Ordinary Maintenance	\$31,674	\$0	\$0	\$31,674
961	Insurance Premiums	\$54,057	\$3,905	\$0	\$57,962
963	Payments in Lieu of Taxes	\$19,778	\$0	\$0	\$19,778
964	Bad Debt - Tenant Rents	\$4,814	\$0	\$0	\$4,814
969	Total Operating Expenses	\$535,988	\$54,099	\$500	\$590,585
970	Excess Operating Revenue over Operating Expenses	\$33,579	\$319,684	\$231,001	\$584,264
973	Housing Assistance Payments	\$0	\$317,098	\$0	\$317,098
974	Depreciation Expense	\$135,944	\$320	\$31,322	\$167,586
900	Total Expenses	\$671,930	\$371,517	\$31,822	\$1,075,269
1001	Operating Transfers In	\$6,469	\$0	\$0	\$6,469
1002	Operating Transfers Out	\$0	\$0	\$-6,469	\$-6,469
1010	Total Other Financing Sources (Uses)	\$6,469	\$0	\$-6,469	\$0
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$-95,896	\$2,266	\$193,210	\$99,580
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$1,463,967	\$112,272	\$936,522	\$2,512,761
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$647,244	\$0	\$-713,487	\$-66,243
1120	Unit Months Available	1,848	1,440	0	3,288
1121	Number of Unit Months Leased	1,713	1,321	0	3,034
1117	Administrative Fee Equity	\$0	\$86,039	\$0	\$86,039
1118	Housing Assistance Payments Equity	\$0	\$28,499	\$0	\$28,499